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BEFORE THE  
ILLINOIS COMMERCE COMMISSION

ILLINOIS COMMERCE COMMISSION On ) DOCKET NO.  
Its Own Motion ) 10-0366  
)  
)  
Management Audit of )  
Illinois-American Water Company to )  
consider the costs of services )  
obtained from its Service Company. )

Springfield, Illinois  
Wednesday, February 15, 2012

Met, pursuant to notice, at 10:00 a.m.

BEFORE:

MR. LARRY JONES, Administrative Law Judge

APPEARANCES:

MR. MICHAEL LANNON  
MS. NICOLE LUCKEY  
Office of General Counsel  
Illinois Commerce Commission  
160 North LaSalle, Suite C-800  
Chicago, Illinois 60601  
Ph. (312) 793-2433

(Appearing via teleconference on  
behalf of Staff Witnesses of the  
Illinois Commerce Commission)

SULLIVAN REPORTING COMPANY, by  
Carla J. Boehl, Reporter  
CSR #084-002710



1		<u>I N D E X</u>			
2					
3	<u>WITNESS</u>	<u>DIRECT</u>	<u>CROSS</u>	<u>REDIRECT</u>	<u>RECROSS</u>
4	(None)				
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13		<u>EXHIBITS</u>			
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15				<u>MARKED</u>	<u>ADMITTED</u>
	(None)				
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PROCEEDINGS

JUDGE JONES: Good morning. I call for hearing Docket Number 10-0366. This is titled in part Illinois Commerce Commission on its own motion, management audit of Illinois-American Water Company it consider the cost of services obtained from its service company.

At this time, as before, we will take the appearances orally for the record. If your business address and phone number are the same as you gave us previously, you need not repeat those or re-spell your name unless you simply wish to. We will start with the appearance or appearances on behalf of Illinois-American Water Company.

MR. STURTEVANT: Good morning, Your Honor. This is Albert Sturtevant appearing on behalf of Illinois-American Water Company. My address has changed and it is now Whitt Sturtevant, L.L.P., 180 North LaSalle Street, Suite 1822, Chicago, Illinois 60601. My phone number is (773) 531-8979.

JUDGE JONES: Thank you. Other appearances?

MR. JONES: Yeah, Your Honor, this is Kenneth

1 C. Jones, and I am not sure if I have been on an  
2 audit status call before so I will give my address.  
3 It is 300 North Water Works Drive, Belleville,  
4 Illinois 62223, and the phone number is  
5 (618) 239-3222.

6 JUDGE JONES: Thank you. Other appearances?

7 MR. LANNON: On behalf of the Staff of the  
8 Illinois Commerce Commission, Mike Lannon and Nicole  
9 Luckey, and our business address and phone numbers  
10 have not changed.

11 JUDGE JONES: Thank you. Ms. Satter?

12 MS. SATTER: Appearing on behalf of the People  
13 of the State of Illinois, Susan L. Satter.

14 JUDGE JONES: Thank you. Are there any other  
15 appearances?

16 (No response.)

17 Let the record show there are not, at  
18 least at this time.

19 Since the last time we actually had a  
20 status hearing, there has been some activity in the  
21 docket in the form of some filings that were made as  
22 reflected on e-Docket.

1                   First off, are there any agreed-to  
2   scheduling proposals to be advanced on the record at  
3   this time?

4           MR. LANNON:   Your Honor, Staff has one  
5   proposal.

6           JUDGE JONES:   Do you believe that to be an  
7   agreed-to proposal or --

8           MR. LANNON:   No, it is not, Your Honor, at  
9   least not by everybody.

10                       Staff would propose setting either  
11   March 19 or 21st for responses or replies to the  
12   Company's response to the audit, if any party deems  
13   it necessary.   And then Staff would propose a status  
14   roughly two to four weeks out after that.

15           JUDGE JONES:   All right.   Thank you.

16           MS. SATTER:   The People don't have a problem  
17   with the time for responding to the Company's filing,  
18   but I was hoping that the status could be closer to  
19   two weeks than four weeks.

20           MR. LANNON:   That's not a problem with Staff,  
21   Your Honor.

22           JUDGE JONES:   Okay.   Counsel for

1 Illinois-American?

2 MR. STURTEVANT: Your Honor, I understand I  
3 guess the purpose of the Staff's request is to, you  
4 know, have an opportunity to review the response and  
5 reply. You know, the Company's concern with respect  
6 to that is I don't believe it is provided for in the  
7 initiating Order, you know, the scheduling of a  
8 reply.

9 However, that said, you know, I  
10 understand that, you know, Staff proposes; the AG has  
11 no objection. So the Company's position would be  
12 that a reply filing would be acceptable, assuming  
13 that it is okay with Your Honor, but with the  
14 understanding that any reply filed would be limited  
15 to addressing points raised in Illinois-American's  
16 response to the audit.

17 MR. LANNON: And, Your Honor, Mike Lannon  
18 again. Staff has no issue with the limitation  
19 Mr. Sturtevant just articulated.

20 JUDGE JONES: Thank you. Ms. Satter?

21 MS. SATTER: Yes, I am okay with that as well.

22 JUDGE JONES: All right. Thank you. I think

1 the suggested time period for a status hearing was  
2 two to four weeks after the reply filing. In order  
3 to give parties a chance to check your calendars to  
4 see if there is a status hearing date in that time  
5 period that is agreeable to everybody and practical  
6 for everybody, we will in a second, in just a minute,  
7 go off the record.

8 To the extent some sort of  
9 disagreement arises over that, then it will be  
10 necessary to go back on the record to resolve it.  
11 But for now we will and do hereby go off the record  
12 to give parties a chance to look at your calendars  
13 and come up with an agreed-to date in there that does  
14 not have conflicts in it or does not otherwise fall  
15 at a point in that range of dates that is  
16 unacceptable to somebody.

17 So we're off the record.

18 (Whereupon there was then had an  
19 off-the-record discussion.)

20 JUDGE JONES: Back on the record.

21 There was an off-the-record discussion  
22 for the purposes indicated. I believe the parties

1     have come to agreement on a date that is either  
2     acceptable or at least is not one that would be  
3     objectionable. And I believe the status hearing date  
4     that came out of that discussion would be April 10 at  
5     10:00 a.m. by phone. As noted, that will be preceded  
6     by a reply filing on either March 19 or March 21.

7                     Which of those two are you suggesting,  
8     Mr. Lannon? We will start with that.

9             MR. LANNON: I suppose my preference would be  
10    the 21st, Your Honor.

11            JUDGE JONES: All right. Thank you. All  
12    right. The suggestion of Staff counsel then is March  
13    21, to be followed by a status hearing by phone on  
14    April 10 at 10:00 a.m.

15                    Subject to the other comments that  
16    were made with respect to the schedule before we went  
17    off the record, does anyone have any objection then  
18    to Mr. Lannon's proposed scheduling?

19            MS. SATTER: No.

20            JUDGE JONES: Thank you. Let the record show  
21    there are no objections. At this time then let the  
22    record show that that scheduling is hereby put into

1 place and approved, involving a reply filing date on  
2 March 21. The scope of or limitations of the reply  
3 were covered before we went off the record.

4 And then scheduling also includes a  
5 status hearing to be held on April 10 at 10:00 a.m.  
6 with participation by phone to be permitted.

7 All right. I think that may cover the  
8 bases then, but let me double check. Does anybody  
9 have anything else for the record either with regard  
10 to the scheduling or otherwise before we conclude  
11 today's status hearing?

12 (No response.)

13 Let the record show they do not. Our  
14 thanks to Mr. Jones for circulating the call-in  
15 number.

16 At this time let the record show  
17 today's status hearing is concluded. In accordance  
18 with the above, this matter is continued to a status  
19 hearing date to be held on April 10, 2012, at the  
20 hour of 10:00 a.m.

21 (Whereupon the hearing in this  
22 matter was continued until April  
10, 2012, at 10:00 a.m. in  
Springfield, Illinois.)